

Executive for Administration and Management

8 December 1948

Assistant Director for Operations

FBIB Communications

1. Reference is made to memorandum dated 1 November 1948 to Executive for A & M from Chief, FBIB, subject as above.

2. FBIB use of Department of the Army's leased duplex radio telephone circuit between London and New York was initiated on 5 November 1948. The use of this service has enabled FBIB to remove the restrictions imposed on the London Bureau requiring a daily reduction from 28,000 to 20,000 words. This use of the new channel has also reduced the cost of commercial communications from \$14,853.66 expended by FBIB during October 1948 to \$8,437.64 expended in November 1948, a saving of \$6,416.02.

3. An analysis of the cost of FBIB commercial communications for November indicates:

a. The assurance of further reduction in monthly costs.

b. The operational necessity for maintaining one circuit between London and Frankfurt at monthly cost of \$275.

October 1948

Cost of Western Union London to Washington	\$14,578.66
Cost of circuit London to Frankfurt	<u>275.00</u>
Total cost FBIB communications London-Washington	\$14,853.66

November 1948

Cost of Western Union London to Washington	
(1) during period 1 to 6 November	\$ 4,207.64
(2) during period 16 to 18 November	850.00
(3) cost of monthly pro rata \$25,000 cost to CIA for 8 months use of duplex radio telephone circuit London to New York	3,125.00
(4) cost of circuit London to Frankfurt	<u>275.00</u>
Total cost FBIB communications London to Washington	\$ 8,437.64

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4. With reference to cost of commercial communications for FBIB during the month of November, item (1) \$4,207.64, cost of Western Union during period 1 to 6 November, \$2,908.64 was expended during the period

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1 to 3 November prior to activation of the new service. The expenditure of \$1,298 during the period 4 to 6 November was required to eliminate the accumulated backlog. Item (2), \$850, cost of Western Union during the period 16-18 November, was necessary due to 43 hours of signals outages during this period. During this period of outages, approximately one-third of all FBIB traffic was routed via Frankfurt. Items (3) and (4) are self-explanatory.

/s/



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